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PREPARED BY: Liz Hruska  
DATE PREPARED: March 10, 2011  
PHONE: 471-0053

**LB 464**

Revision: 00

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See Below	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill repeals the requirement that child care reimbursement rates be based on the market rate survey that is conducted every other year. Currently the rates must be set at a level between the 60<sup>th</sup> and 75<sup>th</sup> percentile of the market rate survey.

Under this bill child care rates could be set at any level. Current law requires rates to be set at least at the 60<sup>th</sup> percentile. Based on the most recent market rate survey, an additional \$2,808,923 is needed each year. With this bill, the rates would be set at the level of the appropriation provided for this purpose. This bill was introduced at the request of the Governor. His budget recommendation assumed rates would be flat for FY 12 and FY 13. The Appropriations Committee did not include the \$2,808,923 in their preliminary recommendation.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	2/18/11	PHONE 471-2526
COMMENTS			
DHHS – Failure to pass LB 464, with the provision that allows the continuation of rates at the current level, will require an increased appropriation of \$5.7 million General Funds for the FY11-FY13 biennium to DHHS, Program 347.			

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LEGISLATIVE FISCAL

2011

LB(1) 0464

FISCAL NOTE

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name: (2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared: (4) February 18, 2011

Phone: (5) 471-8072

FY 2011-2012

FY 2012-2013

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	\$0	See below	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This act would remove the requirement from State statute that the Department adjust rates paid to child care providers to at least the 60<sup>th</sup> percentile, but no more than the 75<sup>th</sup> percentile of the current market rate based on the latest market rate survey. This would be specific to the latest child care market rate survey conducted in 2010, for rates that would be required to be in effect starting July 2011. The overall rate adjustment is estimated to be approximately 3.7% to meet the sixtieth (60th) percentile level as required by current statute for child care rates. This level of increase would require a \$2,808,923 (GF) increase to the Child Care Program based on SFY10 expenditure levels.

The fiscal impact to the Department of Health and Human Services if this act were not passed would be a \$2,808,923 increase in Child Care subsidy for SFY11-12 and SFY12-13.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			See above	See above